



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

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Grassley Praises Signing of U.S.-Chile Free Trade Agreement

WASHINGTON – Sen. Chuck Grassley, chairman of the Committee on Finance, today praised the signing of the U.S.-Chile Free Trade Agreement and said he will work toward Senate consideration of the agreement as soon as possible.

“Free trade with Chile will create a valuable new market for American farmers and workers,” Grassley said. “Chile will benefit from greater access to U.S. goods, and we’ll benefit from the new opportunities created by the increased demand for our products. This agreement will give our agricultural producers an added boost and Chilean consumers other choices.”

The signing of the agreement comes days after Chile announced, at the strong urging of Grassley and others, that it will recognize the equivalency of the U.S. meat inspection system starting immediately and abandon a technically limiting system. Grassley said he considered the resolution of this issue critical to moving forward on the U.S.-Chile Free Trade Agreement.

Grassley said the U.S.-Chile Free Trade Agreement also will give U.S. exporters the same or better access to Chile’s 15 million consumers that Canada and the European Union already enjoy through their trade agreements with Chile. When the U.S.-Chile Free Trade Agreement is finalized, Chile’s tariffs will be eliminated immediately on U.S. pork and pork products, beef offal, durum wheat, barley, barley malt, sorghum, soybeans and soybean meal, pasta, breakfast cereals, cereal preparations, and sunflower seeds. Chile will fully liberalize corn trade in two years.

Under the U.S.-Chile Free Trade Agreement, U.S. pork products will gain parity with the EU’s pork products, creating the opportunity to capture greater market share and develop the Chilean market for future growth. Both governments also agreed to immediately recognize each other’s beef grading systems, making it possible for U.S. Department of Agriculture to certify beef products for export to Chile. Access for beef on both sides will be completely liberalized over four years. Chile imported 85,000 tons of beef valued at \$153 million in 2001, making it the world’s ninth-largest beef importer. But virtually all of Chile’s beef imports now come from its South American neighbors.

Grassley said the signing of the Chile agreement follows by one month the Bush administration’s signing of a free trade agreement with Singapore. They are the United States’ first free-trade agreements with a South American nation and a Southeast Asian nation. The trade

agreements will be the first to be considered since Congress granted the President trade-promotion authority last August. Grassley advanced trade promotion authority as a leader of the Finance Committee, which has jurisdiction over trade. Under trade promotion authority, the President negotiates trade agreements and then submits them to Congress for a vote.

Grassley said he hopes to schedule a Finance Committee hearing on the Chile and Singapore free trade agreements later this month.

Grassley said he was pleased to see the Bush administration taking aggressive steps to open new markets for American farmers and workers. In addition to Chile and Singapore, the Bush administration is formally working on bilateral trade agreements with many countries around the world.

“Without trade promotion authority, the United States fell behind on trade,” Grassley said. “Now we’re back at the negotiating table. We’re knocking down unfair barriers to our products so U.S. companies can compete on a level playing field around the world. And, when U.S. exports grow, our economy grows. All of this means new opportunities for American farmers and workers.”